

<b>1065</b> Form Department of the Treasury Internal Revenue Service		<b>U.S. Return of Partnership Income</b> For calendar year 2003, or tax year beginning _____ and ending _____ <b>EXTENSION GRANTED TO 10/15/04</b>		OMB No. 1545-0099 <b>2003</b>	
<b>A</b> Principal business activity  <b>IMPORTER</b>		Name of partnership <b>PRIVATE LABEL SOURCING, LLC</b>		<b>D</b> Employer identification number <b>22-3800350</b>	
<b>B</b> Principal product or service  <b>WOMEN'S APPAREL</b>		Number, street, and room or suite no. If a P.O. box, see page 14 of the instructions. <b>470 BROOME STREET</b>		<b>E</b> Date business started <b>07/01/2001</b>	
<b>C</b> Business code number <b>424300</b>		City or town, state, and ZIP code <b>NEW YORK, NY 10013</b>		<b>F</b> Total assets <b>\$ 1,634,301.</b>	
<b>G</b> Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return					
<b>H</b> Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____					
<b>I</b> Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year <span style="float: right;">2</span>					

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1 a Gross receipts or sales		1a	1,587,267.	1c	1,435,043.	
	b Less returns and allowances		1b	152,224.		1,435,043.	
	2 Cost of goods sold (Schedule A, line 8)		2	1,443,511.			
	3 Gross profit. Subtract line 2 from line 1c		3	<8,468.>			
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)		4				
	5 Net farm profit (loss) (attach Schedule F (Form 1040))		5				
	6 Net gain (loss) from Form 4797, Part II, line 18		6				
	7 Other income (loss) (attach schedule)		7	SEE STATEMENT 1	5,661,277.		
8 Total income (loss). Combine lines 3 through 7		8		5,652,809.			
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)		9	2,362,593.			
	10 Guaranteed payments to partners		10				
	11 Repairs and maintenance		11	32,787.			
	12 Bad debts		12				
	13 Rent		13	330,317.			
	14 Taxes and licenses		14	344,381.			
	15 Interest		15	37,311.			
	16 a Depreciation (if required, attach Form 4562)		16a	72,616.	16c	72,616.	
	b Less depreciation reported on Schedule A and elsewhere on return		16b				
	17 Depletion (Do not deduct oil and gas depletion.)		17				
	18 Retirement plans, etc.		18	321,011.			
	19 Employee benefit programs		19	145,578.			
	20 Other deductions (attach schedule)		20	SEE STATEMENT 3	1,265,296.		
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20		21		4,911,890.		
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8		22		740,919.			

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member _____ Date _____	May the IRS discuss this return with the preparer shown below (see instr.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Paid Preparer's Use Only Preparer's signature _____ Date _____ Firm's name (or yours if self-employed), address, and ZIP code <b>MAHONEY COHEN &amp; COMPANY, CPA, P.C.</b> <b>1065 AVENUE OF THE AMERICAS</b> <b>NEW YORK, NY 10018</b>	Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN <b>133-48-6153</b> EIN <b>13-2806641</b> Phone no. <b>212-790-5700</b>
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## PRIVATE LABEL SOURCING, LLC

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**Schedule A Cost of Goods Sold** (see page 18 of the instructions)

1	Inventory at beginning of year	1	302,500.
2	Purchases less cost of items withdrawn for personal use	2	905,570.
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	275,338.
5	Other costs (attach schedule)	5	208,106.
6	Total. Add lines 1 through 5	6	1,691,514.
7	Inventory at end of year	7	248,003.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	1,443,511.

## 9 a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3  
 (ii) ☒ Lower of cost or market as described in Regulations section 1.471-4  
 (iii) ☐ Other (specify method used and attach explanation) ▶

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ☐c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☒ Yes ☐ Noe Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No  
If "Yes," attach explanation.**Schedule B Other Information**

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a <input type="checkbox"/> Domestic general partnership b <input type="checkbox"/> Domestic limited partnership		
c <input checked="" type="checkbox"/> Domestic limited liability company d <input type="checkbox"/> Domestic limited liability partnership		
e <input type="checkbox"/> Foreign partnership f <input type="checkbox"/> Other ▶		
2 Are any partners in this partnership also partnerships?		X
3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		X
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		X
5 Does this partnership meet all three of the following requirements?		
a The partnership's total receipts for the tax year were less than \$250,000;		
b The partnership's total assets at the end of the tax year were less than \$600,000; and		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1		X
6 Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See page 20 of the instructions		X
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		X
9 At any time during calendar year 2003, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		X
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 20 of the instructions		X
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 9 of the instructions		X
12 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶		

**Designation of Tax Matters Partner** (see page 20 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶

Identifying number of TMP ▶

Address of designated TMP ▶

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2003.06020 PRIVATE LABEL SOURCING, LLC 22380031

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**Schedule K Partners' Shares Income, Credits, Deductions, etc.**

(a) Distributive share items		(b) Total amount	
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 22)	1	740,919.
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2	
	3a Gross income from other rental activities	3a	
	b Expenses from other rental activities (attach schedule)	3b	
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4 Portfolio income (loss) (attach Schedule D (Form 1065) for lines 4d and 4e):		
	a Interest income	4a	3,305.
	b Dividends: (1) Qualified dividends (2) Total ordinary dividends	4b	
	c Royalty income	4c	
	d Net short-term capital gain (loss): (1) post-May 5, 2003 (2) Entire year	4d(2)	
	e Net long-term capital gain (loss): (1) post-May 5, 2003 (2) Entire year	4e(2)	
f Other portfolio income (loss) (attach schedule)	4f		
5 Guaranteed payments to partners	5		
6a Net section 1231 gain (loss) (post-May 5, 2003) (attach Form 4797)	6a		
b Net section 1231 gain (loss) (entire year) (attach Form 4797)	6b		
7 Other income (loss) (attach schedule)	7		
Deductions	8 Charitable contributions (attach schedule) SEE STATEMENT 6	8	22,000.
	9 Section 179 expense deduction (attach Form 4562)	9	21,101.
	10 Deductions related to portfolio income (itemize)	10	
	11 Other deductions (attach schedule)	11	
Credits	12a Low-income housing credit: (1) From partnerships to which section 42(j)(5) applies (2) Other than on line 12a(1)	12a(1) 12a(2)	
	b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d Credits related to other rental activities	12d	
13 Other credits	13		
Investment Interest	14a Interest expense on investment debts	14a	
	b (1) Investment income included on lines 4a, 4b(2), 4c, and 4f above (2) Investment expenses included on line 10 above	14b(1) 14b(2)	3,305.
Self-Employment	15a Net earnings (loss) from self-employment	15a	740,919.
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c	5,652,809.
Adjustments and Tax Preference Items	16a Depreciation adjustment on property placed in service after 1986	16a	<1,367.>
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties (2) Deductions allocable to oil, gas, and geothermal properties	16d(1) 16d(2)	
	e Other adjustments and tax preference items (attach schedule)	16e	
	17a Name of foreign country or U.S. possession		
Foreign Taxes	b Gross income from all sources	17b	
	c Gross income sourced at partner level	17c	
	d Foreign gross income sourced at partnership level:		
	(1) Passive (2) Listed categories (attach sch.) (3) General limitation	17d(3)	
	e Deductions allocated and apportioned at partner level:		
	(1) Interest expense (2) Other	17e(2)	
	f Deductions allocated and apportioned at partnership level to foreign source income:		
	(1) Passive (2) Listed categories (attach sch.) (3) General limitation	17f(3)	
	g Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	17g	
	h Reduction in taxes available for credit (attach schedule)	17h	
Other	18 Section 59(e)(2) expenditures: a Type b Amount	18b	
	19 Tax-exempt interest income	19	
	20 Other tax-exempt income	20	
	21 Nondeductible expenses SEE STATEMENT 7	21	48,991.
	22 Distributions of money (cash and marketable securities)	22	2,578,352.
	23 Distributions of property other than money	23	
	24 Other items and amounts required to be reported separately to partners (attach schedule)		

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**Analysis of Net Income (Loss)**

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Sch K, lines 8 through 11, 14a, 17g, and 18b						1	701,123.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners		701,123.					

Note: Schedules L, M-1 and M-2 are not required if Question 5 of Schedule B is answered "Yes."

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		108,974.		31,465.
2a Trade notes and accounts receivable	267,694.		6,003.	
b Less allowance for bad debts		267,694.		6,003.
3 Inventories		281,104.		198,842.
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)	STATEMENT 8	1,203,943.		449,902.
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets	1,091,142.		1,116,082.	
b Less accumulated depreciation	133,838.	957,304.	305,673.	810,409.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)	STATEMENT 9	122,400.		137,680.
14 Total assets		2,941,419.		1,634,301.
<b>Liabilities and Capital</b>				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 All nonrecourse loans		1,787,309.		1,752,201.
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		1,154,110.		<117,900.>
22 Total liabilities and capital		2,941,419.		1,634,301.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

1 Net income (loss) per books	951,342.	6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6b, and 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
STMT 11	54,510.	STMT 12	334,679.
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 11, 14a, 17g, and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17g, and 18b (itemize):		a Depreciation \$	
a Depreciation \$	75,283.	STMT 13	94,324.
b Travel and entertainment \$	48,991.	8 Add lines 6 and 7	429,003.
	124,274.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	701,123.
5 Add lines 1 through 4	1,130,126.		

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	1,154,110.	6 Distributions: a Cash	2,578,352.
2 Capital contributed: a Cash	355,000.	b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	951,342.		
4 Other increases (itemize):		8 Add lines 6 and 7	2,578,352.
5 Add lines 1 through 4	2,460,452.	9 Balance at end of year. Subtract line 8 from line 5	<117,900.>

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2003.06020 PRIVATE LABEL SOURCING, LLC 22380031



Form <div style="font-size: 24pt; font-weight: bold;">4562</div>	<div style="font-size: 18pt; font-weight: bold;">Depreciation and Amortization</div> <div style="font-size: 14pt; font-weight: bold;">(Including Information on Listed Property)</div> <div style="text-align: right; font-weight: bold;">OTHER 1</div> <div style="font-size: 12pt;">           ▶ See separate instructions.    ▶ Attach to your tax return.         </div>	<div style="font-size: 18pt; font-weight: bold;">2003</div> <div style="font-size: 12pt;">           OMB No. 1545-0172            Attachment            Sequence No. 67         </div>
Department of the Treasury Internal Revenue Service Name(s) shown on return	Business or activity to which this form relates	Identifying number <div style="font-size: 14pt; font-weight: bold;">22-3800350</div>

**PRIVATE LABEL SOURCING, LLC**

**Part I Election To Expense Certain Tangible Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See instructions for a higher limit for certain businesses .....	1	100,000.
2 Total cost of section 179 property placed in service (see instructions) .....	2	21,101.
3 Threshold cost of section 179 property before reduction in limitation .....	3	400,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- .....	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions .....	5	100,000.
6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
SEE STATEMENT 14		
	21,101.	21,101.
7 Listed property. Enter the amount from line 29 .....	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 .....	8	21,101.
9 Tentative deduction. Enter the smaller of line 5 or line 8 .....	9	21,101.
10 Carryover of disallowed deduction from line 13 of your 2002 Form 4562 .....	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 .....	11	100,000.
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 .....	12	21,101.
13 Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12 .....	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) .....	14	
15 Property subject to section 168(f)(1) election (see instructions) .....	15	
16 Other depreciation (including ACRS) (see instructions) .....	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)****Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2003 .....	17	72,608.
18 If you are electing under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/> .....		

**Section B - Assets Placed in Service During 2003 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	12 /03	7,508.	39 yrs.	MM	S/L	8.
	/			MM	S/L	

**Section C - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System**

20a Class life	/	/	12 yrs.	MM	S/L	/
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21 Listed property. Enter amount from line 28 .....	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr. ....	22	72,616.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs .....	23	

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10-21-03 LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2003)

Form 4562 (2003) **PRIVATE LABEL SOURCING, LLC**

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**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)  
**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information** (Caution: See instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?		24b If "Yes," is the evidence written?		24c If "Yes," is the evidence written?		24d If "Yes," is the evidence written?		24e If "Yes," is the evidence written?		24f If "Yes," is the evidence written?		24g If "Yes," is the evidence written?		24h If "Yes," is the evidence written?		24i If "Yes," is the evidence written?	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost									
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use									25								
26 Property used more than 50% in a qualified business use:																	
		%															
		%															
		%															
27 Property used 50% or less in a qualified business use:																	
		%				S/L -											
		%				S/L -											
		%				S/L -											
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1											28						
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1											29						

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.  
 If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year:					
43 Amortization of costs that began before your 2003 tax year					43
					2,000.
44 Total. Add amounts in column (f). See instructions for where to report					44
					2,000.

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Form 4562 (2003)

## 2003 DEPRECIATION AND AMORTIZATION REPORT

OTHER 1												
Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	ORGANIZATIONAL EXPENSES	070101		60M	43	10,000.			10,000.	3,000.		2,000.
2	LEASEHOLD IMPROVEMENT	120101SL		39.00	17	177,708.		53,312.	124,396.	3,323.		3,190.
3	FURNITURE & FIXTURES	070101200DB		7.00	17	9,375.		9,375.				0.
4	LEASEHOLD IMPROVEMENT	010102SL		39.00	17	104,351.		31,305.	73,046.	1,795.		1,87
5	LEASEHOLD IMPROVEMENT	020102SL		39.00	17	8,979.		2,694.	6,285.	141.		161.
6	LEASEHOLD IMPROVEMENT	030102SL		39.00	17	408,324.		122,497.	285,827.	5,802.		7,329.
7	LEASEHOLD IMPROVEMENT	040102SL		39.00	17	3,340.		1,002.	2,338.	43.		60.
8	LEASEHOLD IMPROVEMENT	050102SL		39.00	17	4,324.		1,297.	3,027.	49.		78.
9	LEASEHOLD IMPROVEMENT	060102SL		39.00	17	6,239.		1,872.	4,367.	61.		112.
10	LEASEHOLD IMPROVEMENT	070102SL		39.00	17	8,564.		2,569.	5,995.	71.		154.
11	LEASEHOLD IMPROVEMENT	080102SL		39.00	17	1,237.		371.	866.	8.		22.
12	LEASEHOLD IMPROVEMENT	090102SL		39.00	17	805.		242.	563.	4.		14.
13	LEASEHOLD IMPROVEMENT	110102SL		39.00	17	9,885.		2,966.	6,919.	22.		177.
14	LEASEHOLD IMPROVEMENT	120102SL		39.00	17	24,875.		7,463.	17,412.	19.		446.
15	FURNITURE & FIXTURES	070102200DB		7.00	17	13,933.		4,180.	9,753.	1,394.		2,389.
16	FURNITURE & FIXTURES	080102200DB		7.00	17	779.		234.	545.	78.		133.
17	FURNITURE & FIXTURES	110102200DB		7.00	17	92.		28.	64.	9.		16.
18	FURNITURE & FIXTURES	120102200DB		7.00	17	1,256.		377.	879.	126.		215.

325102  
05-01-03

(D) - Asset disposed

\* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction



## 2003 DEPRECIATION AND AMORTIZATION REPORT

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
19	COMPUTER EQUIPMENT	0201022000DB	5.00	17	10,331.			3,099.	7,232.	1,446.		2,314.
20	COMPUTER EQUIPMENT	0301022000DB	5.00	17	32,593.			9,778.	22,815.	4,563.		7,301.
21	COMPUTER EQUIPMENT	0401022000DB	5.00	17	690.			207.	483.	97.		155.
22	COMPUTER EQUIPMENT	0601022000DB	5.00	17	5,540.			1,662.	3,878.	776.		1,24.
23	COMPUTER EQUIPMENT	0901022000DB	5.00	17	1,214.			364.	850.	170.		272.
24	COMPUTER SOFTWARE	010102SL	3.00	17	6,354.			1,906.	4,448.	742.		1,483.
25	COMPUTER SOFTWARE	020102SL	3.00	17	3,418.			1,025.	2,393.	399.		798.
26	COMPUTER SOFTWARE	030102SL	3.00	17	2,918.			875.	2,043.	341.		681.
27	COMPUTER SOFTWARE	040102SL	3.00	17	270.			81.	189.	32.		63.
28	COMPUTER SOFTWARE	100102SL	3.00	17	1,145.			344.	801.	134.		267.
29	COMPUTER SOFTWARE	120102SL	3.00	17	4,708.			1,412.	3,296.	550.		1,099.
30	FURNITURE & FIXTURES	0301022000DB	7.00	17	13,835.			4,151.	9,684.	1,384.		2,372.
31	FURNITURE & FIXTURES	0401022000DB	7.00	17	177,627.			53,288.	124,339.	17,768.		30,451.
32	FURNITURE & FIXTURES	0501022000DB	7.00	17	19,085.			5,726.	13,359.	1,909.		3,272.
33	FURNITURE & FIXTURES	0601022000DB	7.00	17	3,632.			1,090.	2,542.	363.		623.
34	FURNITURE & FIXTURES	0801022000DB	7.00	17	272.			82.	190.	27.		47.
35	FURNITURE & FIXTURES	0901022000DB	7.00	17	3,129.			939.	2,190.	313.		536.
36	FURNITURE & FIXTURES	1001022000DB	7.00	17	1,121.			336.	785.	112.		192.

328102  
05-01-03

(D) - Asset disposed

\* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction



## 2003 DEPRECIATION AND AMORTIZATION REPORT

OTHER 1												
Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
37	FUNITURE & FIXTURES	1101022000DB	7.00	17		15,524.		4,657.	10,867.	1,553.		2,661.
38	(D)MACHINERY & EQUIPMENT	1101022000DB	5.00	17		3,670.		1,101.	2,569.	514.		411.
39	LEASEHOLD IMPROVEMENT	120103SL	39.00	19I		7,508.			7,508.			8.
40	MACHINERY & EQUIPMENT	0101032000DB	5.00	19B		2,076.		2,076.			2,076.	2,076.
41	COMPUTER EQUIPMENT	0430032000DB	5.00	19B		3,027.		3,027.			3,027.	3,027.
42	COMPUTER EQUIPMENT	0630032000DB	5.00	19B		5,643.		5,643.			5,643.	5,643.
43	COMPUTER EQUIPMENT	0331032000DB	5.00	19B		2,365.		2,365.			2,365.	2,365.
44	COMPUTER EQUIPMENT	1031032000DB	5.00	19B		2,228.		2,228.			2,228.	2,228.
45	COMPUTER EQUIPMENT	1130032000DB	5.00	19B		411.		411.			411.	411.
46	COMPUTER EQUIPMENT	1231032000DB	5.00	19B		4,204.		4,204.			4,204.	4,204.
47	FUNITURE & FIXTURES	0401032000DB	7.00	19C		1,147.		1,147.			1,147.	1,147.
* TOTAL OTHER DEPRECIATION & AMORT						1129751.		355008.	774,743.	49,138.	21101.	95,717.

325109  
05-01-03

(D) - Asset disposed

\* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction

## Worksheet for Figuring Net Earnings (Loss) From Self-Employment

Name of partnership		Employer identification number	
PRIVATE LABEL SOURCING, LLC		22-3800350	
1 a Ordinary income (loss) (Schedule K, line 1)	1a	740,919.	
b Net income (loss) from CERTAIN rental real estate activities	1b		
c Net income (loss) from other rental activities (Schedule K, line 3c)	1c		
d Net loss from Form 4797, Part II, line 18, included on line 1a above. Enter as a positive amount	1d		
e Other additions	1e		
f Combine lines 1a through 1e	1f	740,919.	
2 a Net gain from Form 4797, Part II, line 18, included on line 1a above	2a		
b Other subtractions	2b		
c Add lines 2a and 2b	2c		
3 a Subtract line 2c from line 1f. If line 1f is a loss, increase the loss on line 1f by the amount on line 2c	3a	740,919.	
b Part of line 3a allocated to limited partners, estates, trusts, corporations, exempt organizations, and IRAs	3b		
c Subtract line 3b from line 3a	3c		740,919.
4 a Guaranteed payments to partners (Schedule K, line 5) derived from a trade or business as defined in section 1402(c)	4a		
b Part of line 4a allocated to individual limited partners for other than services and to estates, trusts, corporations, exempt organizations, and IRAs	4b		
c Subtract line 4b from line 4a	4c		
5 Net earnings (loss) from self-employment. Combine lines 3c and 4c. Enter here and on Schedule K, line 15a	5		740,919.

PRIVATE LABEL SOURCING, LLC

22-3800350

FORM 1065	OTHER INCOME	STATEMENT	1
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DESCRIPTION	AMOUNT
COMMISSION INCOME	5,655,928.
SECTION 481(A)ADJUSTMENT-1ST YEAR	5,349.
TOTAL TO FORM 1065, LINE 7	5,661,277.

FORM 1065	TAX EXPENSE	STATEMENT	2
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DESCRIPTION	AMOUNT
NEW YORK CITY TAXES - BASED ON INCOME	59,458.
PAYROLL TAXES	284,923.
TOTAL TO FORM 1065, LINE 14	344,381.

FORM 1065	OTHER DEDUCTIONS	STATEMENT	3
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DESCRIPTION	AMOUNT
DESIGN EXPENSES	34,467.
UTILITIES	16,377.
SHOWROOM EXPENSE	1,553.
TRAVEL	270,315.
COMMUNICATION	34,971.
WAREHOUSE STORAGE	13,037.
OFFICE EXPENSES	64,400.
EQUIPMENT RENTAL	17,122.
INSURANCE	77,902.
PROFESSIONAL FEES	121,007.
BANK CHARGES	14,641.
FACTOR'S COMMISSION & CHARGES	81,376.
COMPUTER EXPENSE	18,612.
AUTO EXPENSE	80,155.
PRODUCTION SAMPLE DEVELOPMENT	543,708.
LESS: SECTION 263A	<275,338.>
LEGAL SETTLEMENT	100,000.
MEALS AND ENTERTAINMENT	48,991.
AMORTIZATION EXPENSE	2,000.
TOTAL TO FORM 1065, LINE 20	1,265,296.



PRIVATE LABEL SOURCING, LLC

22-3800350

SCHEDULE A	OTHER COSTS	STATEMENT	4
DESCRIPTION	AMOUNT		
COMMISSIONS	39,757.		
DUTY & BROKERAGE	77,954.		
FREIGHT-IN	72,920.		
OTHER CHARGES	17,475.		
TOTAL TO FORM 1065, PAGE 2, LINE 5	208,106.		

SCHEDULE A	ADDITIONAL SECTION 263A COSTS	STATEMENT	5
DESCRIPTION	AMOUNT		
PRODUCTION & DESIGN SALARIES & PAYROLL TAXES	143,406.		
SAMPLE DEVELOPMENT	92,259.		
SHIPPING/WAREHOUSING STORAGE	1,486.		
OFFICE SALRIES & MEMBERS	20,155.		
PAYROLL TAXES & BENEFITS	5,419.		
INSURANCE EXPENSES	1,776.		
DEPRECTION	2,136.		
RENT & UTILITIES	7,530.		
REPAIRS & MAINTENANCE	747.		
COMPUTER EXPENSE	424.		
TOTAL TO FORM 1065, PAGE 2, LINE 4	275,338.		

SCHEDULE K	CHARITABLE CONTRIBUTIONS	STATEMENT	6
DESCRIPTION	50% LIMIT	30% LIMIT	20% LIMIT
VARIOUS CASH CONTRIBUTIONS	22,000.		
TOTALS TO SCHEDULE K, LINE 8	22,000.		

PRIVATE LABEL SOURCING, LLC

22-3800350

SCHEDULE K	NONDEDUCTIBLE EXPENSE	STATEMENT	7
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DESCRIPTION	AMOUNT
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	48,991.
TOTAL TO SCHEDULE K, LINE 21	48,991.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	8
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
DUE FROM FACTOR	1,154,613.	383,631.
PREPAID EXPENSES	48,633.	49,467.
LOAN & EXCHANGES	697.	16,804.
TOTAL TO SCHEDULE L, LINE 6	1,203,943.	449,902.

SCHEDULE L	OTHER ASSETS	STATEMENT	9
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DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
SECURITY DEPOSIT	122,400.	137,680.
TOTAL TO SCHEDULE L, LINE 13	122,400.	137,680.

PRIVATE LABEL SOURCING, LLC

22-3800350

FORM 1065		PARTNERS' CAPITAL ACCOUNT SUMMARY			STATEMENT 10
PARTNER NUMBER	BEGINNING CAPITAL	CAPITAL CONTRIBUTED	SCHEDULE M-2 LNS 3, 4 & 7	WITH- DRAWALS	ENDING CAPITAL
1	567,694.	125,000.	475,670.	1,289,176.	<120,812.>
2	586,416.	230,000.	475,672.	1,289,176.	2,912.
TOTAL	1,154,110.	355,000.	951,342.	2,578,352.	<117,900.>



PRIVATE LABEL SOURCING, LLC

22-3800350

SCHEDULE M-1	INCOME NOT RECORDED ON BOOKS THIS YEAR	STATEMENT 11
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DESCRIPTION	AMOUNT
SEC. 263A ADJ - ENDING INVENTORY	49,161.
SECTION 481(A) ADJUSTMENT-1ST YEAR	5,349.
TOTAL TO SCHEDULE M-1, LINE 2	54,510.

SCHEDULE M-1	INCOME RECORDED ON BOOKS NOT INCLUDED ON RETURN	STATEMENT 12
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DESCRIPTION	AMOUNT
PROVISION FOR CUSTOMERS CREDITS	334,679.
TOTAL TO SCHEDULE M-1, LINE 6	334,679.

SCHEDULE M-1	DEDUCTIONS ON RETURN NOT CHARGED AGAINST BOOK	STATEMENT 13
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DESCRIPTION	AMOUNT
PENSION EXPENSE	70,928.
SEC. 263A ADJ - BEGINNING INVENTORY	21,396.
AMORTIZATION	2,000.
TOTAL TO SCHEDULE M-1, LINE 7	94,324.

FORM 4562	PART I - SECTION 179 EXPENSE	STATEMENT 14
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(A) DESCRIPTION OF PROPERTY	(B) COST	(C) ELECTED COST
MACHINERY & EQUIPMENT	2,076.	2,076.
COMPUTER EQUIPMENT	3,027.	3,027.
COMPUTER EQUIPMENT	5,643.	5,643.
COMPUTER EQUIPMENT	2,365.	2,365.
COMPUTER EQUIPMENT	2,228.	2,228.
COMPUTER EQUIPMENT	411.	411.
COMPUTER EQUIPMENT	4,204.	4,204.
FUNITURE & FIXTURES	1,147.	2,523.
TOTAL TO FORM 4562, PART I, LINE 6	21,101.	22,477.

## ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

Asset No.	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	Regular Depreciation	AMT Depreciation	AMT Adjustment
2	LEASEHOLD IMPROVEMENT	12/01/01	SL	39.00	177,708.	4,690.	3,190.	4,557.	<1,367.>
3	LEASEHOLD IMPROVEMENT	01/01/02	SL	39.00	104,351.	1,795.	1,873.	1,873.	0.
4	LEASEHOLD IMPROVEMENT	02/01/02	SL	39.00	8,979.	141.	161.	161.	0.
5	LEASEHOLD IMPROVEMENT	03/01/02	SL	39.00	408,324.	5,802.	7,329.	7,329.	0.
6	LEASEHOLD IMPROVEMENT	04/01/02	SL	39.00	3,340.	43.	60.	60.	0.
7	LEASEHOLD IMPROVEMENT	05/01/02	SL	39.00	4,324.	49.	78.	78.	0.
8	LEASEHOLD IMPROVEMENT	06/01/02	SL	39.00	6,239.	61.	112.	112.	0.
9	LEASEHOLD IMPROVEMENT	07/01/02	SL	39.00	8,564.	71.	154.	154.	0.
10	LEASEHOLD IMPROVEMENT	08/01/02	SL	39.00	1,237.	8.	22.	22.	0.
11	LEASEHOLD IMPROVEMENT	09/01/02	SL	39.00	805.	4.	14.	14.	0.
12	LEASEHOLD IMPROVEMENT	11/01/02	SL	39.00	9,885.	22.	177.	177.	0.
13	LEASEHOLD IMPROVEMENT	12/01/02	SL	39.00	24,875.	19.	446.	446.	0.
14	LEASEHOLD IMPROVEMENT	07/01/02	SL	39.00	13,933.	1,394.	2,389.	2,389.	0.
15	FURNITURE & FIXTURES	08/01/02	DB	7.00	779.	78.	133.	133.	0.
16	FURNITURE & FIXTURES	11/01/02	DB	7.00	92.	9.	16.	16.	0.
17	FURNITURE & FIXTURES	12/01/02	DB	7.00	1,256.	126.	215.	215.	0.
18	FURNITURE & FIXTURES	02/01/02	DB	5.00	10,331.	1,446.	2,314.	2,314.	0.
19	COMPUTER EQUIPMENT	03/01/02	DB	5.00	32,593.	4,563.	7,301.	7,301.	0.
20	COMPUTER EQUIPMENT	04/01/02	DB	5.00	690.	97.	155.	155.	0.
21	COMPUTER EQUIPMENT	06/01/02	DB	5.00	5,540.	776.	1,241.	1,241.	0.
22	COMPUTER EQUIPMENT	09/01/02	DB	5.00	1,214.	170.	272.	272.	0.
23	COMPUTER EQUIPMENT	01/01/02	SL	3.00	6,354.	742.	1,483.	1,483.	0.
24	COMPUTER SOFTWARE	02/01/02	SL	3.00	3,418.	399.	798.	798.	0.
25	COMPUTER SOFTWARE	03/01/02	SL	3.00	2,918.	341.	681.	681.	0.
26	COMPUTER SOFTWARE	04/01/02	SL	3.00	270.	32.	63.	63.	0.
27	COMPUTER SOFTWARE	10/01/02	SL	3.00	1,145.	134.	267.	267.	0.
28	COMPUTER SOFTWARE	12/01/02	SL	3.00	4,708.	550.	1,099.	1,099.	0.
29	COMPUTER SOFTWARE	03/01/02	DB	7.00	13,835.	1,384.	2,372.	2,372.	0.
30	FURNITURE & FIXTURES	04/01/02	DB	7.00	177,627.	17,768.	30,451.	30,451.	0.
31	FURNITURE & FIXTURES	05/01/02	DB	7.00	19,065.	1,909.	3,272.	3,272.	0.
32	FURNITURE & FIXTURES	06/01/02	DB	7.00	3,632.	363.	623.	623.	0.
33	FURNITURE & FIXTURES	08/01/02	DB	7.00	272.	27.	47.	47.	0.
34	FURNITURE & FIXTURES	09/01/02	DB	7.00	3,129.	313.	536.	536.	0.
35	FURNITURE & FIXTURES	10/01/02	DB	7.00	1,121.	112.	192.	192.	0.
36	FURNITURE & FIXTURES								

328104  
08-08-03

## ALTERNATIVE MINIMUM TAX DEPRECIATION REPORT

Asset No.	Description	Date Acquired	AMT Method	AMT Life	AMT Cost Or Basis	AMT Accumulated	Regular Depreciation	AMT Depreciation	AMT Adjustment
37	FURNITURE & FIXTURES	11/01/02	200DB7.00		15,524.	1,553.	2,661.	2,661.	0.
38	MACHINERY & EQUIPMENT	11/01/02	200DB5.00		3,670.	514.	411.	411.	0.
39	LEASEHOLD IMPROVEMENT	12/01/03	SL 39.00		7,508.	0.	8.	8.	0.
40	MACHINERY & EQUIPMENT	01/01/03	200DB5.00		2,076.	0.	2,076.	2,076.	0.
41	COMPUTER EQUIPMENT	04/30/03	200DB5.00		3,027.	0.	3,027.	3,027.	0.
42	COMPUTER EQUIPMENT	06/30/03	200DB5.00		5,643.	0.	5,643.	5,643.	0.
43	COMPUTER EQUIPMENT	03/31/03	200DB5.00		2,365.	0.	2,365.	2,365.	0.
44	COMPUTER EQUIPMENT	10/31/03	200DB5.00		2,228.	0.	2,228.	2,228.	0.
45	COMPUTER EQUIPMENT	11/30/03	200DB5.00		411.	0.	411.	411.	0.
46	COMPUTER EQUIPMENT	12/31/03	200DB5.00		4,204.	0.	4,204.	4,204.	0.
47	FURNITURE & FIXTURES	04/01/03	200DB7.00		1,147.	0.	1,147.	1,147.	0.
	TOTALS				1,110,376.	47,505.	93,717.	95,084.	<1,367.>
	MACRS AMT ADJUSTMENT							<1,367.>	

328104  
09-08-03



Form **3115**  
(Rev. December 2003)  
Department of the Treasury  
Internal Revenue Service

# Application for Change in Accounting Method

OMB No. 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions)		Identification number (see instructions)	
PRIVATE LABEL SOURCING, LLC		22-3800350	
Number, street, and room or suite no. If a P.O. box, see the instructions.		Principal business activity code number (see instructions)	
470 BROOME STREET		424300	
City or town, state, and ZIP code		Tax year of change begins (MM/DD/YYYY) 01/01/03	
NEW YORK, NY 10013		Tax year of change ends (MM/DD/YYYY) 12/31/03	
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Name of contact person (see instructions)	
		CHARLES SOCKETT	
		Contact person's telephone number	
		212-790-5759	

If the applicant is a member of a consolidated group, check this box ☐

If Form 2848, Power of Attorney and Declaration of Representative, is attached, check this box ☒

Check the box to indicate the applicant.

- |  |  |
|--|--|
| <input type="checkbox"/> Individual  | <input type="checkbox"/> Cooperative (Sec. 1381)     |
| <input type="checkbox"/> Corporation   | <input checked="" type="checkbox"/> Partnership      |
| <input type="checkbox"/> Controlled foreign corporation (Sec. 957)               | <input type="checkbox"/> S corporation               |
| <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E))                   | <input type="checkbox"/> Insurance co. (Sec. 816(a)) |
| <input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2)) | <input type="checkbox"/> Insurance co. (Sec. 831)    |
| <input type="checkbox"/> Exempt organization. Enter Code section ▶               | <input type="checkbox"/> Other (specify) ▶           |

Check the appropriate box to indicate the type of accounting method change being requested. (see instructions)

- |   |
|---|
| <input type="checkbox"/> Depreciation or Amortization   |
| <input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions |
| <input checked="" type="checkbox"/> Other (specify) ▶ INVENTORY                                   |

**Caution:** The applicant must provide the requested information to be eligible for approval of the requested accounting method change. The applicant may be required to provide information specific to the accounting method change such as an attached statement. The applicant must provide all information relevant to the requested accounting method change, even if not specifically requested by the Form 3115.

Part I Information For Automatic Change Request		Yes	No
1 Enter the requested designated accounting method change number from the List of Automatic Accounting Method Changes (see instructions). Enter only one method change number, except as provided for in the instructions. If the requested change is not included in that list, check "Other," and provide a description. ▶ (a) Change No. 22 (b) Other <input type="checkbox"/> Description ▶			
2 Is the accounting method change being requested one for which the scope limitations of section 4.02 of Rev. Proc. 2002-9 (or its successor) do not apply? If "Yes," go to Part II.			X
3 Is the tax year of change the final tax year of a trade or business for which the taxpayer would be required to take the entire amount of the section 481(a) adjustment into account in computing taxable income? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.			X
<b>Note:</b> Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).			
Part II Information For All Requests		Yes	No
4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If you answered "No," go to line 5.			
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?			

Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

Filer

Preparer (other than filer/applicant)

Signature and date

Signature of individual preparing the application and date

Name and title (print or type)

CHARLES SOCKETT

Name of individual preparing the application (print or type)

MAHONEY COHEN & COMPANY, CPA, P.C.

Name of firm preparing the application

For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Form 3115 (Rev. 12-2003)

Form 3115 (Rev. 12-2003)

Page 2

Part II Information For All Requests (continued)		Yes	No
4c	Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?		X
d	Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? If "Yes," attach the consent statement from the director.		X
e	Is the request to change the method of accounting being filed under the 90-day or 120-day window period? . . . If "Yes," check the box for the applicable window period and attach the required statement (see instructions), <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day		X
f	If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ► _____ Telephone number ► _____ Tax year(s) ► _____		
g	Has a copy of this Form 3115 been provided to the examining agent identified on line 4f? . . . . .		
5a	Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? . . . . If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, and the tax year(s) before Appeals and/or a Federal court. Name ► _____ Telephone number ► _____ Tax year(s) ► _____		X
b	Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a? . . . . .		
c	Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member)? . . . . . If "Yes," attach an explanation.		X
6	If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, provide each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.		
7	If the applicant is an entity (including a limited liability company) treated as a partnership or S corporation for Federal income tax purposes, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? . . . . . If "Yes," the applicant is not eligible to make the change.		X
8	Is the applicant making a change to which audit protection does not apply (see instructions)? . . . . .		X
9a	Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in accounting method within the past 5 years (including the year of the requested change)? . . . . .		X
b	If "Yes," attach a description of each change and the year of change for each separate trade or business and whether consent was obtained.		
c	If any application was withdrawn, not perfected, or denied, or if a Consent Agreement was sent to the taxpayer but was not signed and returned to the IRS, or if the change was not made or not made in the requested year of change, include an explanation.		
10a	Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in accounting method, or technical advice? . . . .		X
b	If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in accounting method, or technical advice), and the specific issue(s) in the request(s).		
11	Is the applicant requesting to change its overall method of accounting? . . . . . If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of the form. Present method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description) Proposed method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		X
12	If the applicant is not changing its overall method of accounting, attach a detailed and complete description for each of the following: a The item(s) being changed. SEE STATEMENT 1 b The applicant's present method for the item(s) being changed. SEE STATEMENT 1 c The applicant's proposed method for the item(s) being changed. SEE STATEMENT 1 d The applicant's present overall method of accounting (cash, accrual, or hybrid). SEE STATEMENT 1		

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Part II Information For All Requests (continued)				Yes	No
13	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.				
14	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation.				X
15a	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .				X
b	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.				
16	Does the applicant request a conference of right with the IRS National Office if the IRS proposes an adverse response? . . . . .			X	
17	If the applicant is changing to or from the cash method or changing its method of accounting under sections 263A, 448, 460, or 471, enter the gross receipts of the 3 tax years preceding the year of change.				
	1st preceding year ended: mo. 12 yr. 2002	2nd preceding year ended: mo. 12 yr. 2001	3rd preceding year ended: mo. 12 yr. 2000		
	\$ 19,480,609	\$ 1,007,923	\$		
Part III Information For Advance Consent Request				Yes	No
18	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.				
19	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. The applicant should include a discussion of any authorities that may be contrary to its use of the proposed method.				
20	Attach a copy of all documents related to the proposed change (see instructions).				
21	Attach a statement of the applicant's reasons for the proposed change.				
22	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation.				
23a	Enter the amount of user fee attached to this application (see instructions). ► \$				
b	If the applicant qualifies for a reduced user fee, attach the necessary information or certification required by Rev. Proc. 2003-1 (or its successor) (see instructions).				
Part IV Section 481(a) Adjustment				Yes	No
24	Do the procedures for the accounting method change being requested require the use of the cut-off method? If "Yes," do not complete lines 25, 26, and 27 below.				X
25	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ► \$ 21,396 Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.				
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change? . . . . .				X
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? . . . . . If "Yes," attach an explanation.				X

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